

Message Text

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ORIGIN ARA-10

INFO OCT-01 ISO-00 SS-15 NSC-05 L-03 IGA-02 AID-05 CIAE-00

COME-00 EB-07 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00

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FM SECSTATE WASHDC

TO AMEMBASSY LIMA

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E.O. 11652: N/A

TAGS: EFIN, PE, JA

SUBJECT: BALANCE-OF-PAYMENTS FINANCING

REF: A) LIMA 9048, B) STATE 236429, C) STATE 224391

D) LIMA 8871

1. ACCORDING TO WELLS FARGO SOURCE, LOAN AGREEMENT WITH U.S. BANKS FOR BALANCE-OF-PAYMENTS FINANCING NOT REPEAT NOT SIGNED AS PREVIOUSLY SCHEDULED ON OCTOBER 20/21 (REF B). MINOR "SEMANTIC" PROBLEMS HAVE BEEN RAISED BY PERUVIAN CENTRAL BANK LAWYERS IN WORDING OF AGREEMENT DOCUMENT. THESE ARE EXPECTED SHORTLY TO BE RESOLVED. SIGNATURE IN U.S. NOW SCHEDULED FOR NOVEMBER 4.

2. AMOUNT OF LOAN WILL BE \$210 MILLION, A ROUNDING OFF OF
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THE \$208 MILLION FIGURE REPORTED REF A. THE TERMS WILL BE AS BEFORE--FIVE YEARS WITH ONE YEAR GRACE. INTEREST, HOW-

EVER, HAS BEEN RAISED FROM 1.75 PERCENT ABOVE LIBOR (REF C) TO 2.25 PERCENT ABOVE. BRIDGE LOANS PROVIDED BY LEAD BANKS IN U.S. CONSORTIUM THE END OF AUGUST (REF A)--AMOUNTING TO \$42.5 MILLION -- WILL BE PAID OFF ONCE BALANCE-OF-PAYMENTS FINANCING EXTENDED TO PERU.

3. WELLS FARGO REP SAID EUROPEAN BANKS (OTHER THAN SWISS-REF D) WILL BE SUPPLYING MINIMUM OF 50 PERCENT OF U.S. CONTRIBUTION, OR AROUND \$105 MILLION -- UP FROM LEVEL PREVIOUSLY REPORTED. CANADIANS ARE TO LOAN \$30-35 MILLION. JAPANESE FINANCING IS PUT IN THE SAME RANGE. HOWEVER, ACCORDING TO JAPANESE EMBASSY HERE, GOJ SUPPORTING JAPANESE BANK LENDING OF THAT MAGNITUDE BUT BANKS THEMSELVES BELIEVE THAT MORE IMPORTANT LATIN AMERICAN CUSTOMERS SHOULD BE SERVED FIRST. LOAN WOULD BE IN YEN. KISSINGER

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